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SUBJECT: UKRAINE'S MEDIA MONITORS DECRY CURRENT STATE OF MEDIA IN
UKRAINE; TENTATIVE RESOLUTION REACHED ON BAN OF RUSSIAN TELEVISION
CHANNELS

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11. Summary: At a November 20 luncheon hosted by Ambassador Taylor, ten Ukrainian media monitors and observers shared their views on the current state of media in Ukraine. Participants agreed that, despite great expectations, Ukraine's media development had been disappointingly slow in the years since the 2004 Orange Revolution. Media monitors listed the media's financial dependence on media outlet owners (mostly oligarchs) and owners' influence on media coverage and content as a primary concern and described the corrupt practice of buying and selling media access as another key concern. On a related matter, monitors predicted that the GOU would find a way to remedy the recent ban of three Russian language cable TV channels (see reftel) and suggested the solution would likely involve the creation of a Ukrainian intermediary entity and the payment of fees. (Note: this is exactly how the matter was resolved - see para 7.) Finally, a few monitors expressed the fear that if the next election resulted in a less democratic government, censorship in the media could result. End Summary.

12. The media experts acknowledged that, in general, Ukraine's media environment had changed for the better since the Orange Revolution in 2004. At a minimum, they emphasized, today's media presents diverse political views. They agreed that in comparison with Russia, where journalists receive instructions from government officials on how to cover events of interest to the Russian government, such as the war with Georgia, Ukraine is much better off. Most of the monitors agreed that Ukraine aims to achieve European media standards in line with Finland, Poland and the Baltics but that political and economic difficulties have stunted the media's development in Ukraine. Several participants stated that "tabloidization" and a "dumbing down" of the media is increasing in an effort to expand circulation/numbers of viewers and that public trust in media to report accurate information is decreasing. They added that outside Kyiv, regional media is held in low regard by local populations due to strict control exercised by both local politicians and media owners over content.

FINANCIAL CRISIS AFFECTS MEDIA

13. The media experts described how Ukraine's current financial crisis is affecting the media. According to one guest, out of 30,000 officially registered print and broadcast media outlets, only 8,000 are considered to be in operation, and only a few hundred in all of Ukraine are considered fully functional. In Ukraine as a whole, media profits have plummeted by 60 percent in 2008. Many regional media outlets are undergoing partial closures or are cutting back on personnel due to financial difficulties, and close to 50 percent of all regional media are going through partial or full changes in ownership. In rare cases, this has been a positive change. In one

example, mentioned by the Director of the Academy of the Ukrainian Press, Valeriy Ivanov, a regional newspaper was going to close due to financial difficulties when the leaders of two opposing political parties worked to draw up a new ownership agreement which resulted in unbiased political coverage. But Ivanov added that examples of bipartisan cooperation are extremely unusual. A majority of the participants predicted that the current economic situation would not improve any time soon and that the closing of publications would leave a large number of journalists looking for work.

¶4. The experts pointed out that to avoid bankruptcy, media outlets rely on financial support from wealthy sponsors (often oligarchs). Too often, they said, freedom and diversity in reporting is the price of such sponsorship. The monitors noted that Ukrainian businessmen who invest in media outlets use the outlets as a personal political tool to stay in the good graces of those in power who can in turn favor their business. Victoria Siumar, Institute of Mass Information, and Serhiy Harmash, Research Center for the Social Perspectives of Donbas, agreed that Ukrainian media has become a "blind tool in the hands of those in power used for nobody's benefit but their own." Editors-in-chief, they said, are subject to direct and indirect coercion by their owners and the media's loyalties are driven purely by monetary concerns and by individual politicians or businessmen.

¶5. One expert pointed out that media bankruptcies could result in a collection of larger, more financially independent and profitable media outlets. The monitors agreed that the strongest and most popular publications would survive the financial crisis and form a solid foundation for what has the potential to become a more economically independent and free press in Ukraine. Some monitors suggested that the economic crisis creates more competition among media outlets forcing those who want to stay afloat to strive to

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attain a higher standard. There was general agreement among the guests that for media to thrive in Ukraine there needs to be political stability. If elections continue to take place every year, they said, media will continue to be nothing more than a political tool for oligarchs and politicians.

"DJYNSA" - A CORRUPT MEDIA PRACTICE

¶6. The media monitors discussed a common practice called "Djynsa" (Jeans): a clearly biased, paid-for political advertisement presented as actual news. In the past year, Djynsa has become a popular tool used by politicians and businessmen to exert their influence over the media - particularly print publications. To an unsuspecting reader, a Djynsa article - published alongside regular daily news -- may look normal, but the article contains propaganda or presents a skewed view and should rightfully be labeled an advertisement. Though editors realize that these "Djynsa" articles should be either marked as a paid political advertisement or published in a different section of the paper, they don't do this for fear of losing their jobs. The participants noted that journalists are often poorly paid, making such offers hard to turn down. The experts emphasized that TV stations are also subject to political pressure and influence and program content is adjusted accordingly. The overall effect of the "Djynsa" phenomenon, they added, has been to decrease public trust in the media and decrease morale among serious journalists.

THE ROLE OF UNSPOKEN CENSORSHIP

¶7. Media monitors complained about severe, but unspoken, restrictions regarding the criticism of public figures. They said that some reporters admit to feeling demoralized due to the pressures from editors-in-chief. The monitors said that there had been an increase this year in cases of reporters being forced to choose between writing the truth and keeping their jobs. Television is also subject to corruption. The recent ban of three Russian cable channels, originally explained as enforcing international standards regarding the re-transmission of TV broadcasts as well as a 2006 Ukrainian law on broadcasting, turned out to be a financial

issue between the television channels and Ukraine's National Council for Television and Radio. The Russian channels have tentatively agreed to register with a newly-created Ukrainian legal entity (described as an intermediary) and in some areas of the country, at least one of the stations is back on the air. Several of the monitors commented that if upcoming Parliamentary elections result in a less democratic government, censorship could be a reality once again in Ukraine.

18. Comment: In comparison to the state of Ukraine's media prior to the Orange Revolution, when the government exercised strict control over the media, the picture today is much brighter. However, there is an urgent need to restructure the financial basis of media outlets, which depend primarily on private investment from the country's oligarchs, who pressure the outlets to cater to the investors' political and business interests. Many young Ukrainian journalists who are graduates of recently-opened schools of journalism strive to achieve Western standards in their reporting, but these inexperienced and poorly-paid journalists often become victims of "Djynsa." Unfortunately, improvements to Ukraine's media environment will probably not take place until the country enjoys some political stability. Ukraine media's best hope is a strong democratic government that will encourage and support a free and independent media. End Comment.

TAYLOR